

Management and Public Relations Services

(SIC 874)

SIGNIFICANT POINTS

- The management and public relations services industry is projected to be one of the fastest growing through the year 2008.
- Nearly one-fourth of all workers are self-employed.
- About 70 percent of workers have a bachelor's degree or higher; nearly half of all jobs are in managerial and professional occupations.
- This industry is one of the highest paying.

Nature of the Industry

Widespread management and public relations services firms influence how businesses, governments, and institutions make decisions, and in so doing, affect the lives of every American. Often working behind the scenes, these firms have a variety of functions. For example, a management consulting team recommends that a pharmaceutical company take a brand of pain reliever off the market. A construction management firm oversees the building of a new airport. A facilities support services firm manages the daily operations of a local hospital. A traffic consultant concludes that a major highway should be widened. Or a public relations firm issues a press release that is printed in newspapers across the country.

Firms in management and public relations services offer one or more resources that clients cannot provide themselves. Usually this resource is expertise—in the form of knowledge, experience, special skills, or creativity—but sometimes the resource is time or personnel that the client cannot spare. Clients are large and small, private-sector, for-profit firms; bodies of State, local, or the Federal Government; institutions, such as hospitals, universities, unions, and trade groups; and foreign governments or businesses.

The management and public relations services industry is diverse. In general, firms in management or other business consulting offer operational advice, those in public relations services advise and implement public exposure strategies, and firms in management or facility support services furnish administrative services. Management services and management consulting were by far the largest sectors, together accounting for most of the industry's revenue. The facility support, business consulting, and public relations segments brought in the remaining revenue.

Management consulting firms advise on almost any aspect of corporate operations, including marketing; finance; corporate strategy and organization; manufacturing and technology; information systems and data processing; and human resources, benefits, and compensation. Depending on the nature of clients' problems and needs, management consulting firms might advise how to best enter a new market or increase the clients' share in an existing market. They might suggest how to get the most out of a computer network or which department or subsidiary should be sold, shut down, or merged. They might recommend how to adhere to Federal environmental regulations or when to issue a new public offering of

stock. Occasionally, management consulting firms also help implement their advice.

Management consulting has grown rapidly over the past several decades, as businesses increasingly use consulting services. Using consultants is advantageous, because these experts are experienced, well trained, and abreast of the latest technologies, government regulations, and management and production techniques. In addition, consultants are cost efficient, because they can be hired temporarily and can objectively perform their duties, free of the influence of company politics.

Miscellaneous business consulting firms offer a variety of services similar to those of management consultants, but the former primarily offer technical expertise or advise clients on non-management issues. For example, an economic consultant might be hired to help a business project future product sales, or a traffic consultant might be retained to advise a city government on how much a proposed new tunnel would alleviate traffic congestion. This group includes sociological research firms, architectural consultants, educational consulting firms, city planners, and many others. In fact, there are highly specialized consultants with expertise in almost every business and government-related activity.

Public relations firms help secure favorable public exposure for their clients, advise them in the case of a sudden public crisis, and design strategies to help them attain a certain public image. Toward these ends, public relations firms analyze public or internal sentiment about clients; establish relationships with the media; write speeches and coach clients for interviews; issue press releases; and organize client-sponsored publicity events, such as contests, concerts, exhibits, symposia, and sporting and charity events. Clients of public relations firms include all types of business, institution, trade and public interest groups, and even some high profile individuals.

Lobbying firms, a special type of public relations firms, differ somewhat. Instead of attempting to secure favorable public opinion about their clients, they attempt to influence legislators in favor of their clients' special interests. Lobbyists often work for large businesses, industry trade organizations, unions, or public interest groups.

Management services and facility support services firms are similar but differ in one important respect. Management services firms administer other firms' properties, businesses,

or projects and provide management personnel but not operating staff. In contrast, facility support services firms provide both management and staff. For example, a common type of management service is construction management. A corporation, real estate developer, or group of investors might hire a construction management firm to oversee a construction project to ensure that it is completed within certain time and cost constraints. The construction management firm prepares estimates of building costs and a project schedule; coordinates the work of designers, contractors, workers, and suppliers; and inspects the work as it progresses, to ensure that it conforms to plans, budget, quality standards, and the completion schedule. However, the construction management firm employs none of the construction workers, designers, or contractors; it only coordinates and administers the process.

Facility support services firms, on the other hand, might administer and staff various services at airports, correctional facilities, military installations, universities, hospitals, or corporate research and development complexes. Unlike management services firms, facility support services firms employ all of the workers necessary to run these facilities—managers, guards, maintenance and custodial staff, groundskeepers, and other workers.

Entry-level positions within the management and public relations industry start with very little responsibility. Striving for and displaying quality work results in more responsibility.

The vast majority of firms in the management and public relations services industry are small, primarily because new firms, particularly the consulting and public relations segments, can easily enter the industry. Licensing, certification, and large capital outlays seldom are necessary to become a management or business consultant, public relations specialist, or construction manager; and the work can be quite lucrative for those with the right education, experience, and contacts. As a result, many wage and salary workers in management and public relations services eventually leave established firms to go into business for themselves. In addition, after developing specialized expertise, people working in other industries often start their own consulting businesses; and some experienced workers perform consulting work after retiring.

Working Conditions

For most employees, working conditions in management and public relations services are similar to those for most office workers operating in a teamwork environment. The work is rarely hazardous, except in a few cases—such as for facility support workers contracted to run correctional institutions or construction management workers who must inspect construction sites. In 1998, the industry had only 2.5 injuries and illnesses per 100 full-time workers, compared to an average of 7.1 throughout private industry.

Most firms encourage employees to attend employer-paid time-management classes. This helps reduce the stress sometimes associated with working under strict time constraints. Also, with today's hectic lifestyle, many firms in this industry offer or provide health facilities or clubs for employees to maintain good health.

Not all employees in this industry work under identical conditions. In 1998, workers in the industry averaged 36.2 hours per week, a little above the national average. However, some must work long hours in stressful environments, as is often the case with lobbyists, consultants, construction man-

agers, and public relations writers, who frequently must meet hurried deadlines. Workers whose services are billed hourly—such as many business and management consultants and public relations specialists—are often under pressure to manage their time very carefully. Occasionally, some weekend work is also necessary, depending upon the job that's being performed. In addition, the increasing globalization of the marketplace compels some executives and consultants to travel extensively or live away from home for extended periods.

Employment

The management and public relations services industry had about 1 million wage and salary workers in 1998, and about 299,000 were self-employed. Management services and management consulting firms were the largest employers in the industry, accounting for nearly 79 percent of wage and salary jobs. Miscellaneous business consulting and facility support services made up 18 percent and public relations services, 3 percent.

The vast majority of establishments in this industry were fairly small, employing fewer than 5 workers (chart). Self-employed individuals operated many of these small firms. Despite the prevalence of small firms and self-employed workers, large firms tend to dominate the industry. Nearly 60 percent of jobs are found in only about 3 percent of the establishments, and some of the largest firms in the industry employ several thousand people.

Although employees in this industry work in all parts of the country, many workers are concentrated near large urban centers.

Occupations in the Industry

Although management and public relations services are fairly specialized, a variety of occupations are found in this industry (table 1). Some of these occupations, such as *public relations specialists* and *publicity writers*, are specific to only one segment of the industry whereas others, such as *bookkeeping*, *accounting*, and *auditing clerks* or *general managers*, can be found throughout the industry.

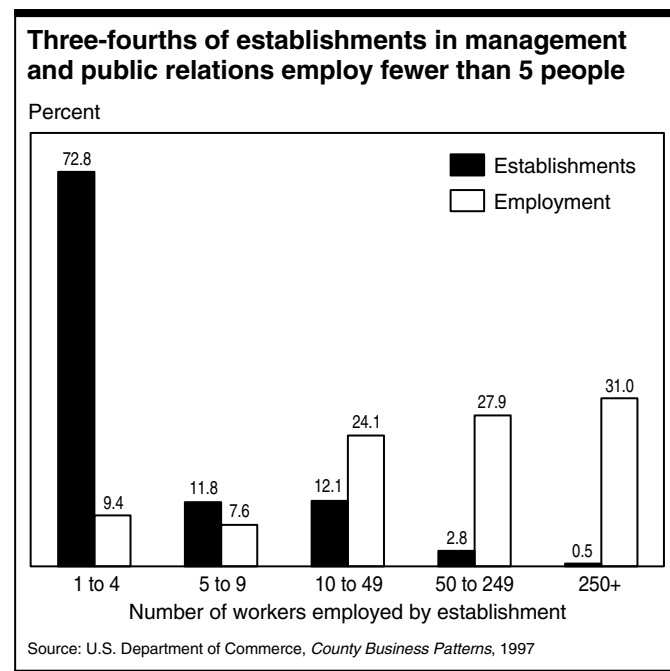


Table 1. Employment of wage and salary workers in management and public relations services by occupation, 1996 and projected change, 1998-2008

(Employment in thousands)

Occupation	1998		1998-2008 Percent change
	Number	Percent	
All occupations	1,034	100.0	45.1
Executive, administrative, and managerial	298	28.9	47.3
General managers and top executives	73	7.1	41.3
Advertising, marketing, promotions, public relations and sales managers	22	2.1	60.2
Administrative services managers	21	2.0	65.7
Accountants and auditors	21	2.0	82.5
Financial managers	20	1.9	37.1
Management analysts	20	1.9	39.7
Administrative support, including clerical	251	24.3	30.6
Secretaries	44	4.2	16.2
General office clerks	35	3.4	47.0
Office and administrative support supervisors and managers	29	2.9	41.6
Bookkeeping, accounting, and auditing clerks	22	2.1	18.6
Receptionists and information clerks	18	1.7	45.4
Material recording, scheduling, dispatching, and distributing occupations	12	1.2	36.5
Data entry keyers	10	1.0	16.5
Professional specialty	188	18.2	67.4
Engineers	34	3.3	54.6
Computer support specialists	15	1.5	96.6
Systems analysts	13	1.3	118.4
Social scientists	13	1.3	38.8
Public relations specialists	11	1.1	48.4
Physical scientists	11	1.1	68.6
Teachers, librarians, and counselors	10	1.0	183.9
Registered nurses	10	1.0	45.6
Technicians and related support	73	7.1	35.7
Computer programmers	26	2.5	24.1
Health technicians and technologists	20	1.9	45.6
Engineering technicians	13	1.3	45.6
Service	66	6.4	42.1
Protective service occupations	18	1.7	72.7
Janitors and cleaners, including maids and housekeeping cleaners	16	1.6	31.1
Food preparation and service occupations	11	1.1	18.2
Marketing and sales	61	5.9	45.1
Precision production, craft, and repair	53	5.1	40.5
Mechanics, installers, and repairers	18	1.7	38.6
Construction trades	16	1.6	40.1
Operators, fabricators, and laborers ...	36	3.5	42.6
Helpers, laborers, and material movers, hand	20	1.9	40.1
All other occupations	7	0.7	45.5

Compared to other industries, a relatively high proportion of workers in the industry are highly educated. Over 70 percent of those in management and public relations services have a bachelor's degree or higher, compared to one-quarter of the workers throughout the rest of the economy. Certain jobs may have stringent entry requirements. For example, some management consulting firms only hire workers who have a master's degree in business administration (MBA). Other positions can only be attained after many years of related experience.

In management and public relations services, workers in *executive, administrative, and managerial* occupations and *administrative support* occupations make up 53 percent of employment. These same occupations account for 29 percent of workers across the entire economy. These workers comprise a disproportionate share of jobs in this industry because they not only manage and administer their own firms, but often manage clients' businesses or properties as well. For example, office management services and facilities support firms might need only a handful of managers, bookkeepers, and secretaries to handle their own affairs, but need many more to administer each office or facility it contracts to manage.

General managers and *top executives*, the largest managerial occupation in the industry, includes both the highest level managers—such as chief executive officers and vice presidents—and many middle managers with duties too diverse to classify elsewhere. Managers at the top shape company policy, often with the help of other executives or a board of directors. They oversee all activities of the firm, coordinate duties of subordinate executives and managers, and often bear ultimate responsibility for a firm's performance. At the middle manager level, they may oversee the activities of one department or, when working for a management services firm, all the activities of one or more establishments, properties, or construction ventures. These jobs are found throughout the industry, but they are particularly concentrated in the management services and facility support services segments.

Management analysts, also called *management consultants*, are the highest profile employees in the management consulting industry. Their work is quite varied, depending on the nature of the project and the client's needs. In general, consultants study and analyze business-related problems, synthesizing information from many sources, and recommend solutions. Suggested solutions can range from overhauling a client's computer systems, offering early retirement incentives to middle managers, switching health plans, improving just-in-time inventory systems, hiring public relations firms, or selling troublesome parts of businesses. Because of the varied nature of these jobs, firms hire workers with diverse backgrounds, such as engineering, finance, actuarial science, chemistry, and business. Many firms require consultants to have MBA's, whereas others hire workers who have bachelor's degrees only. Many workers have experience in other industries, prior to entering management consulting work.

Construction managers work almost exclusively for construction management firms in the industry. In construction industries, the term "construction manager" is sometimes used to refer to the jobs of constructors, construction superintendent, general construction manager, project supervisor, and any number of contractors. In the management services segment of this industry, construction managers are highly trained or experienced workers who control the entire construction

process. Through precise scheduling and cost estimation techniques, these managers oversee projects to insure they are completed on time and at a reasonable cost. Their work requires a thorough understanding of the construction process. As a result, most construction managers have an extensive educational background—in subjects such as architecture, engineering, construction technology, law, and business administration—as well as many years of related construction experience before entering this occupation.

Facility managers coordinate the physical workplace with the people and work of an organization. While specific tasks assigned to facility managers vary substantially, depending on the organization, responsibilities can be categorized as operations and maintenance; real estate; project planning and management; communication; finance; quality assessment; facility function; and human and environmental factors. Facility managers suggest and oversee renovation projects for a variety of reasons, ranging from improving efficiency to ensuring that facilities meet government regulations and environmental, health, and security standards. In addition, the facility manager continually monitors a facility to ensure that it remains safe, secure, and well maintained. Often, the facility manager directs maintenance, grounds, and custodial staff.

Other executive, administrative, and managerial occupations include *financial managers*, who prepare financial statements and assess the financial health of firms. Often, they must have at least a bachelor's degree in accounting or finance. As one might expect, most *marketing, advertising, and public relations managers* in the industry are employed in public relations firms where they manage publicity campaigns and supervise *public relations specialists* and *publicity writers*, discussed below. *Administrative services managers* typically administer a firms' support services, overseeing secretaries, data entry keyers, bookkeepers, and other clerical staff. In the management services industry, they also often supervise a clients' clerical and support staff. *Accountants and auditors* monitor firms' financial transactions and often report to financial managers.

Administrative support positions in management and public relations services resemble those in other industries. Management and facility support services firms often staff clients' businesses, so administrative support workers are needed in large numbers. Particularly numerous are *secretaries*—the single largest occupation in the industry—*general office clerks*, and *bookkeeping, accounting, and auditing clerks*, who record and classify financial data. The industry also employs many *clerical supervisors* and *managers*, who oversee the support staff, often reporting to administrative services managers.

One of the industry's largest professional specialty occupations is *public relations specialists* and *publicity writers*, almost all of whom work in the public relations segment of the industry. Under the guidance of public relations managers, these workers design, implement, and analyze public relations strategies and materials. They write press releases, contact people in the media, encourage their clients to sponsor special events, prepare clients for interviews or crises, and advise them on how to achieve a desired public image. In almost all cases, workers in these jobs must have strong writing skills and a bachelor's degree; applicants with degrees in communications, journalism, English, or business and prior job experience are preferred.

Designers in this industry are mostly either *industrial designers* or *interior designers*. Industrial designers create or improve designs of manufactured items, usually with the goal of making a product more efficient or aesthetically pleasing. Most of these workers are employed by management or business consulting firms. Interior designers plan and furnish offices or other commercial establishments, keeping in mind the functional and aesthetic needs of the client. Many interior designers in the industry work for facility support services firms.

Systems analysts, computer scientists, and computer engineers design new computer systems or redesign old systems for new applications. For example, a systems analyst from a management consulting firm might be hired by a wholesale firm to implement an online inventory database. In the consulting segments of this industry, systems analysts, computer scientists, and computer engineers are sometimes referred to simply as "consultants."

Compared to the primary occupational groups discussed above, the industry has relatively few jobs in service occupations or technicians and related support occupations. The most common service occupations are *janitors and cleaners*, who keep offices and other facilities clean and orderly, and *food preparation and service workers*, who prepare and serve meals in business or institutional cafeterias. These occupations are found throughout the industry, but many food preparation and service workers are employed in facilities support services firms.

Technicians and related support occupations include *computer programmers*, who write programs and create software—often in close conjunction with systems analysts—and *engineering technicians*, who aid engineers in research and development. Like systems analysts and engineers, persons in these occupations work primarily in the business and management consulting segments of the industry.

Management and public relations service firms do not produce any goods; and as a result, employ relatively few workers in sales and production occupations. Marketing and sales occupations; precision production, craft, and repair occupations; and the remaining occupational groups make up only about 15 percent of industry employment.

Training and Advancement

Training and advancement opportunities vary widely within management and public relations services, but most jobs in the industry are similar in three respects. First, clients usually hire management and public relations firms based on the expertise of their staffs, so proper training of employees is vital to the success of firms. Second, although a bachelor's degree or higher is generally preferred by employers, most jobs require also extensive on-the-job training or related experience. Third, advancement opportunities are best for workers with the highest levels of education.

The management and public relations services industry offers excellent opportunities for self-employment. Because capital requirements are low, highly experienced workers can start their own businesses fairly easily and cheaply; and every year, thousands of workers in this industry go into business for themselves. Some of these workers come from established management and public relations services firms, whereas others leave industry, government, or academic jobs to start their own businesses.

Most organizations need prospective employees to possess a variety of skills. To a large extent, a degree is only one

desired qualification. Workers must also possess a proven analytical and problem solving ability; excellent written and verbal communications skills; experience in a particular specialty; assertiveness and motivation; a strong attention to detail; and a willingness to work long hours, if necessary.

Whereas very few universities or colleges offer formal programs of study in management consulting, many fields provide a suitable background. These include most areas of business and management, as well as computer and information sciences and engineering. Management consulting firms also provide extensive training on the job. The method and extent of training can vary, based on the type of consulting and the nature of the firm. Information systems, industrial production, and other highly technical consulting requires particularly extensive formal training; but training for other types of consulting work is often less rigorous.

There are management and leadership classes and seminars available throughout the United States; some are hosted by volunteer senior executives and management experts, representing a variety of businesses and industries. Some large firms invest a great deal of time and money in training programs, educating new hires in formal classroom settings over several weeks or even months, and some even have separate training facilities. Small firms often combine formal and on-the-job training.

Most management consulting firms have two entry-level positions. Workers who hold bachelor's degrees usually start as research associates; those with graduate degrees usually begin work as consultants. Successful workers progress through the ranks from research associate to consultant, management consultant, senior consultant, junior partner, and after many years, to senior partner. In some firms, however, it is very difficult for research associates to progress to the next level without further education. As a result, many management consulting firms offer tuition assistantships, grants, or reimbursement plans, so workers can attain the MBA or another degree.

In business consulting firms, workers usually have extensive formal education, such as a master's or doctoral degree, in a relevant field. Additionally, few start in business consulting firms without some prior experience. Often, they have worked as university or college professors or as researchers in government or private industry. New entrants normally begin as research assistants and work under experienced consultants, until they are able to carry out projects independently.

In public relations, employers prefer applicants with degrees in communications, journalism, English, or business. Some 4-year colleges and universities have begun to offer a concentration in public relations. Because there is keen competition for entry-level public relations jobs, workers are encouraged to gain experience through internships, co-op programs, or one of the formal public relations programs offered across the country. However, these programs are not available everywhere, so most public relations workers get the bulk of their training on the job. At some firms, this training consists of formal classroom education; but in most cases, workers train under the guidance of senior account executives or other experienced workers, gradually familiarizing themselves with public relations work. Entry level workers often start as research or account assistants and may be promoted to account executive, account supervisor, vice president, and executive vice president.

Voluntary accreditation programs for public relations specialists and management consultants, respectively, are offered

by the Public Relations Society of America and the Institute of Management Consultants. Both programs are recognized marks of competency in the profession and require that workers be employed in the field for several years.

Almost all workers in management services and facility support services receive on-the-job training and the remainder usually have prior work experience in a related field. Most managerial and supervisory workers gain experience informally, overseeing a few workers or part of a project under the close supervision of a senior manager. Although it is less common, some large firms offer formal management training.

Workers who advance to high-level managerial or supervisory jobs in management services or facility support services firms usually have an extensive educational background. For example, a worker with an electrical engineering degree might start work in a construction management firm as a field inspector and advance quickly. On the other hand, a worker without such a degree, but with many years of construction experience, might also hold the position of field inspector. However, the latter employee will be at a disadvantage for further advancement. Frequently, the highly technical nature of work in these firms makes it difficult for less educated workers to advance.

Earnings

Earnings in management and public relations services typically are considerably higher than the average for the rest of the private sector of the economy. The average earnings of nonsupervisory workers in the industry were significantly higher than the private sector in general. Management and public relations workers' weekly average earnings were \$623 in 1998, compared to \$442 for workers throughout private industry. Earnings in largest occupations in management and public relations services appear in table 2.

Table 2. Median hourly earnings of the largest occupations in management and public relations services, 1997

Occupation	Management and public relations services	All industries
General managers and top executives ...	\$43.95	\$26.05
Financial managers	30.17	25.19
Marketing, advertising, and public relations workers	24.59	25.61
Computer programmers	22.32	22.61
Administrative services managers	17.76	20.35
Accountants and auditors	17.34	17.66
First-line supervisors and managers/supervisors-clerical and administrative support workers...	15.03	14.26
Secretaries, except legal and medical	12.58	11.00
Bookkeeping, accounting, and auditing clerks	12.01	10.80
General office clerks	9.55	9.10

These data do not reflect earnings for self-employed workers, who are often paid very well. Also, both managerial workers and high-level professionals can make considerably more than the industry average. According to a 1997 survey by the Association of Management Consulting Firms, total cash compensation (salary plus bonus/profit sharing) for research as-

sociates was \$38,900; entry-level consultants, \$50,500; management consultants, \$69,700; senior consultants, \$96,800; junior partners, \$151,100; and senior partners, \$266,700.

According to a 1998 survey conducted by Abbot, Langer and Associates, the median annual cash compensation for entry-level junior consultants was \$40,000; consultants, \$51,500; senior consultants, \$62,000; principal consultants, \$63,100; senior or executive vice president (little or no ownership interest in the firm), \$110,000; and senior or executive vice president (ownership interest), \$128,500.

In addition to a straight salary, many workers receive additional compensation, such as profit sharing, stock ownership, or performance-based bonuses. In some firms, bonuses can constitute one-third of annual pay.

Less than 2 percent of workers in management and public relations services belong to unions or are covered by union contracts, compared to 15.4 percent of workers throughout private industry.

Outlook

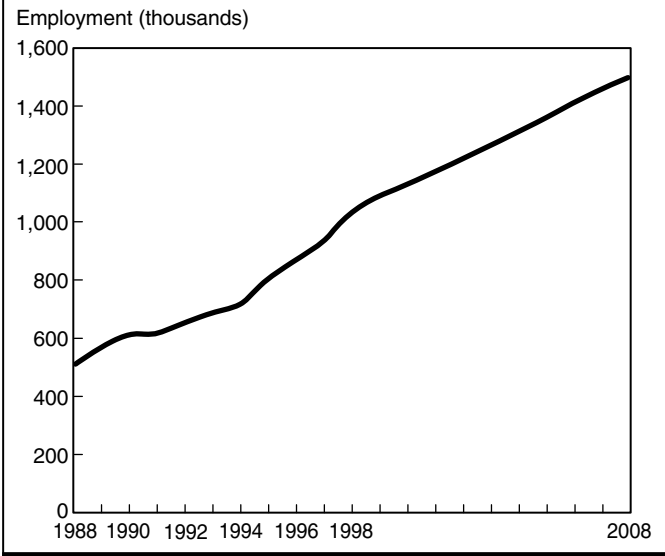
Between 1998 and 2008, wage and salary jobs in the management and public relations services industry are expected to grow by 45 percent—triple the 15 percent growth projected for all industries combined, ranking it among the most rapidly growing industries (chart). Projected job growth can be primarily attributed to the increasing complexity of business. Among other things, today's managers must deal with rapid technological innovations, changes in government regulations, growing environmental concerns, and the continuing reduction of trade barriers resulting in an increasingly global economy. Because it has become difficult to keep abreast of these changes, corporations, institutions, and governments will increasingly need well-trained, well-informed management and public relations services professionals.

Accompanying this changing business environment will be new competitive pressures that will also help spur industry growth. Firms today must produce higher quality goods and services more cheaply, or else lose business to more efficient domestic or foreign competitors. To cut costs, firms increasingly turn to "outsourcing," which means eliminating some in-house staff—such as internal public relations specialists or office managers—and contracting with outside firms to handle these functions. Often, these outside firms are more expensive than in-house workers in the short run; but are advantageous, because they can easily be dismissed, once they are no longer needed. As businesses seek to cut costs over the long term, the practice of outsourcing should become even more common, boosting growth of the management and public relations services industry.

Each segment of the industry will grow at a different rate, for a variety of reasons. The management consulting segment will continue to grow rapidly, as demand for management consulting services increase. But in this maturing market, mergers, acquisitions, and downsizing will become more common, as firms compete by attempting to offer a broader range of consulting services. The resulting consolidation will temper employment growth.

The public relations segment should grow faster than in recent years, due to the growing importance of business media and the corresponding role of public relations. However, the management services and facility support services sectors are being affected by competition from other establishments

Employment in the management and public relations industry nearly doubled over the 1988-98 period, and is expected to grow by 45 percent over the 1998-2008 period



providing one specialized service, such as janitorial or guard services.

Sources of Additional Information

For more information about career opportunities in management consulting, contact:

- ACMF—The Association of Management Consulting Firms, 521 Fifth Ave., New York, NY 10175-3598. Internet: www.amcf.org

For a brochure on careers in public relations, contact:

- Public Relations Society of America, Inc., 33 Irving Place, New York, NY 10003. Internet: www.prsa.org

For further information on career opportunities in construction management, write to:

- Construction Management Association of America, 7918 Jones Branch Dr., Suite 540, McLean, VA 22102. Internet: www.cmaa.org

Additional information about careers in facility management is available from:

- International Facility Management Association, One East Greenway Plaza, Suite 1100, Houston, TX 77046. Internet: www.ifma.org

In addition, information on the following occupations found in the management and public relations services industry appears in the 2000-01 *Occupational Outlook Handbook*:

- Administrative services and facility managers
- Advertising, marketing, and public relations managers
- Construction managers
- Designers
- Financial managers
- General managers and top executives
- Management analysts
- Public relations specialists